



## DEPARTMENT OF ENERGY

[DOE Docket No. 202-21-2]

### **Emergency Order Issued to the California Independent System Operator Corporation (CAISO) To Operate Power Generating Facilities Under Limited Circumstances in California as a Result of Extreme Weather**

**AGENCY:** Office of Electricity, Department of Energy.

**ACTION:** Notice of emergency action.

**SUMMARY:** The U.S. Department of Energy (DOE or Department) is issuing this Notice to document emergency actions that it has taken pursuant to the Federal Power Act (FPA).

**ADDRESSES:** Requests for more information should be addressed by electronic mail to [ceser@hq.doe.gov](mailto:ceser@hq.doe.gov).

**FOR FURTHER INFORMATION CONTACT:** For further information on this Notice, or for information on the emergency activities related to the Order, contact Kenneth Buell, 202-586-3362, [kenneth.buell@hq.doe.gov](mailto:kenneth.buell@hq.doe.gov), or by mail to the attention of Kenneth Buell, CR-20, 1000 Independence Ave. SW, Washington, DC 20585. Due to limited access to DOE facilities because of current COVID-19 restrictions, contact via phone or email is preferred.

The Order and all related information are available here: <https://www.energy.gov/oe/federal-power-act-section-202c-caiso-september-2021>.

**SUPPLEMENTARY INFORMATION:** Pursuant to 10 CFR 1021.343(a), the Department is issuing this Notice to document emergency actions taken. Under FPA section 202(c), “[d]uring the continuance of a war in which the United States is engaged, or whenever the [Secretary of Energy] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the [Secretary of Energy] shall have authority . . . to require by order such temporary connections of facilities and

generation, delivery, interchange, or transmission of electric energy as in [the Secretary's] judgment will best meet the emergency and serve the public interest.” 16 U.S.C. 824a(c)(1). The authority to issue such orders, which was originally vested in the defunct Federal Power Commission, was transferred to and vested in the Secretary of Energy by section 301(b) of the Department of Energy Organization Act, 42 U.S.C. 7151(b), and is non-exclusively delegated to the Deputy Secretary of Energy (Deputy Secretary) by paragraph 1.12(A) of Delegation Order No. 00-001.00H (Oct. 2, 2020).

On September 7, 2021, the CAISO filed a Request for Emergency Order Pursuant to section 202(c) of the Federal Power Act (Application) with the Department “to preserve the reliability of [the] bulk electric power system in California.” In its Application, the CAISO cited “extremely challenging conditions including extreme heat waves, multiple fires, high winds, and various grid issues” that could lead to electric demand outpacing available generation. The CAISO requested authority to dispatch several natural gas-fueled generation resources (“Covered Resources”). The CAISO stated that certain of the Covered Resources “will not have completed federal environmental permitting requirements” by the date it requested issuance of an emergency order, “and [cannot] operate unless they are subject to a DOE emergency order.” The CAISO also noted that other units included in the Covered Resources are subject to permit limitations preventing them from operating at their full capacity. Because “[t]he emergency for which the CAISO seeks relief is ongoing and could have serious consequences regarding the CAISO’s ability to serve load in California and meet its reserve obligations,” the CAISO requested that the Department issue an order, effective no later than September 10, 2021, and for a period of 60 days, authorizing “the generating units identified . . . that are subject to permit limits (or have yet to obtain permits) to operate at their maximum levels,” along with authorization for “testing of Covered Resources as necessary to ensure they can operate reliably and, in the case of new units, synchronize to the electric grid.” The CAISO contended that the requested relief would “help . . . meet the existing emergency and serve the public interest by

preventing or mitigating power disruptions and the potential curtailment of electricity load within the CAISO balancing authority area.”

After review of the facts and CAISO policy and procedure, the Deputy Secretary issued Order No. 202-21-2 (the Order) on September 10, 2021, for a period of 60 days, directing the CAISO to dispatch the necessary electric generation units from the Covered Resources and to order their operation only as needed during (1) the issuance and continuation of an Energy Emergency Alert Level 2 condition or greater between the hours of 14:00 Pacific Daylight Time and 22:00 Pacific Daylight Time after exhausting all reasonably and practically available resources; (2) a Transmission Emergency that requires operation of a Covered Resource to prevent or mitigate load curtailment during any operating hour; or (3) limited testing directed by the CAISO or synchronization of Midway Sunset Unit C, Greenleaf Unit 1, and Roseville Energy Park during periods of lowest electric demand for natural gas resources, as determined by the CAISO. For purposes of the Order, “Energy Emergency Alert Level 2” has the meaning set forth in section 3.6.4 of the CAISO System Emergency Operating Procedure Version 13.1 (Aug. 20, 2021) (CAISO Emergency Operating Procedure). Also for purposes of the Order, “Transmission Emergency” has the meaning set forth in section 3.5 of the CAISO Emergency Operating Procedure.

The Department has required the CAISO to report, by December 1, 2021, “source specific data for all dates between September 10 and November 9, 2021, on which the Covered Resources were operated. The report must include, “for each unit, (1) the hours of operation, as well as the hours in which any permit limit was exceeded and (2) a preliminary description of each permit term that was exceeded and the manner in which such exceedance occurred.” The Department also required the CAISO to “submit a final report by January 7, 2022, with any revisions to the information reported on December 1, 2021.” After receiving the final data report from the CAISO, DOE will prepare a special environmental analysis of the potential impacts resulting from issuance of the Order, including impacts on air quality and environmental justice.

The CAISO will be responsible for the reasonable third-party costs of the special environmental analysis.

*Procedural Background:* The Covered Resources to which this Order pertains were identified in the Order and can be found on the website identified above. Given the emergency nature of the expected load stress, the responsibility of the CAISO to ensure maximum reliability on its system, and the ability of the CAISO to identify and dispatch generation necessary to meet the additional load, the Deputy Secretary determined that additional dispatch of the Covered Resources would be necessary to best meet the emergency and serve the public interest for purposes of FPA section 202(c). Because the additional generation may result in a conflict with environmental standards and requirements, the Deputy Secretary authorized only the necessary additional generation, with reporting requirements as described below.

FPA section 202(c)(2) requires the Secretary of Energy to ensure that any FPA section 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the “hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable,” be consistent with any applicable environmental law and minimize any adverse environmental impacts. To minimize adverse environmental impacts, the Order “limits operation of dispatched units to the times and within the parameters determined by the CAISO for reliability purposes.”

The Deputy Secretary conditioned the Order by requiring the CAISO to report on actions taken pursuant to the Order regarding the environmental impacts of the Order and its compliance with the conditions of the Order. As noted previously, the CAISO must submit a final report by January 7, 2022, with any revisions to the information reported through that time. The environmental data the CAISO submits must include (1) Emissions data in pounds per hour for each Covered Resource unit, for each hour of the operational scenario, for carbon monoxide, nitrous oxides, particulate matter (PM) 2.5, PM10, volatile organic compounds, and sulfur dioxide, with details on the actual emissions in pounds per hour, permitted operating/emission

limits, and the actual incremental emissions above the permit limits (except that for emissions units not equipped with continuous emission monitoring systems, actual emissions must be calculated using source test data); (2) stack parameters for each Covered Resource unit, including stack height, exit diameter, exit gas temperature, and exit velocity (or volumetric flow rate) (temperature and velocity must be the values applicable to the operations above permit limits); (3) the actual hours that each Covered Resource unit operated in excess of permit limits or operated without otherwise-required permits; (4) information provided to the California Air Resources Board (CARB) in response to the CARB's development and implementation of the plan to mitigate the effects of additional emissions authorized by Governor Newsom's July 30, 2021 emergency proclamation. The Department also noted that it may request additional information as it performs its special environmental analysis relating to the issuance of the Order.

The reports will be available on the DOE website for this docket here:

<https://www.energy.gov/oe/federal-power-act-section-202c-caiso-september-2021>.

### **Signing Authority**

This document of the Department of Energy was signed on September 22, 2021 by Patricia A. Hoffman, Acting Assistant Secretary for the Office of Electricity and for the Office of Cybersecurity, Energy Security, and Emergency Response, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on September 23, 2021

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Treena V. Garrett,  
Federal Register Liaison Officer,  
U.S. Department of Energy.

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